

FAQ on training and funding provided by the Employment Agency

1. What can companies or employees do if they wish to benefit from training programmes?

If certain conditions are met, both companies and employees can be supported by the Federal Employment Agency, with grants available from the Federal Employment Agency for employee training.

2. Who are the Employment Agency's training programmes and funding generally intended for?

The training measures funded by the Federal Employment Agency are intended for unemployed persons or those threatened by unemployment, and – where the legal requirements for funding are met – also employees in existing employment relationships. This includes employees with no vocational qualifications or whose qualifications are no longer relevant, because these individuals face an above-average risk of unemployment, and employees who want to upskill or change jobs. Employees receiving short-time working allowance while employed by an interim employment company are also eligible for Employment Agency grants.

Existing skills, previous work experience, existing knowledge and personal qualities such as aptitude and mobility are all taken into account when awarding training grants. Employment Agency offices/Job Centres consider these factors in detail before deciding whether training is needed, e.g. to improve the person's chances in the job market, to acquire or formalise a vocational qualification in the context of an existing employment relationship or to expand existing knowledge and skills or update them in line with new technical developments.

3. Is there a legal entitlement to funding?

Payments to fund training are discretionary benefits; there is therefore no legal entitlement to funding.

4. What role do employers play?

Employee training is primarily the employer's responsibility. Training is a core corporate function. Accordingly, government grants for training and wage subsidies generally require co-funding by the employer. Exceptions to this principle are provided for certain

categories of persons (older or severely disabled employees of small and medium-sized enterprises or micro businesses).

5. What training grants are available for employees with existing vocational qualifications?

Wage subsidies are available for all qualification activities that last for longer than four weeks or 160 hours and which are not exclusively work-related training: up to 25 % for companies with 250 or more employees, up to 50 % for small and medium-sized enterprises and up to 75 % for micro businesses.

In addition, there are subsidies towards the cost of training courses irrespective of the qualification objective: 100 % for micro businesses with up to 10 employees, up to 50 % for small and medium-sized enterprises with up to 250 employees, up to 25 % for larger companies with 250 or more employees and up to 15% for big companies with 2,500 or more employees.

Funding can be up to 100 % for older employees (age 45 and over) or severely disabled employees in small and medium-sized enterprises.

6. What does funding for employees without vocational qualifications look like?

In addition to the unemployed, employees without vocational qualifications can have their training funded if they want to acquire a vocational qualification directly or in phases (partial qualification). This partial qualification or modular approach makes it possible to acquire a vocational qualification in stages.

The funding covers the full cost of training. Unemployed persons continue to receive unemployment benefit at the previously approved level for the duration of their training. Employers who continue to pay their employees during training are eligible to receive a subsidy of up to 100 % of the remuneration paid during the time spent on training.

7. Who else can receive training grants?

The funding programme is also available to all employees performing jobs that can be replaced by technology, or who are otherwise affected by structural changes or seeking training in “bottleneck occupations” where there is a shortage of skilled workers. This is intended to make it easier for employees to update and adapt their skills.

8. How often can training be funded?

Essentially, there is no limit; the Federal Employment Agency has complete discretion to grant funding. However, employees can generally only receive support if it is at least four years since they acquired a vocational qualification. New funding is then possible again after four years.

9. Can training take place alongside work?

This is generally possible, depending on the agreement reached between employer and employees or on collective bargaining agreements/works agreements on training. The option under the German Social Code Book III (SGB III) of providing employers with wage subsidies creates the conditions for combining work duties and training.

10. What role does the works council play?

Works councils have relevant rights under the German Works Constitution Act (Betriebsverfassungsgesetz, BetrVG), particularly under sections 96-98, German Works Constitution Act (BetrVG). According to section 96 of the BetrVG, for example, the employer has an obligation to identify training needs at the request of the works council and then to discuss the resulting issues. If an employer decides to implement vocational training measures, the works council has a right of codetermination with regard to content and timing pursuant to section 98 (1) of the BetrVG.

11. Are there advantages in training being regulated by a works agreement/collective bargaining agreement?

In larger companies with 2,500 employees or more, up to 20 % of the cost of training courses can be covered by a subsidy (instead of up to 15 %) if a works agreement on training is in place or a collective bargaining agreement provides for establishment-specific training.

12. What training is eligible for a grant?

The Federal Employment Agency website includes the education and training database KURSNET, which provides information on training courses (<https://kursnet-finden.arbeitsagentur.de/kurs/>). It can be used to find training programmes suitable for the job role. KURSNET provides a detailed overview of the options available in the vocational training market.

13. What must be kept in mind when selecting training?

Before registering for a course, it is necessary to check with the provider whether the selected course is approved under the German Social Code Book III (SGB III) and whether it complies with the educational objective and qualification content specified in the education voucher. Education vouchers may be redeemed only for such courses. Admission to the training course and redemption of the education voucher with the approved course provider must take place within the validity period of the education voucher, otherwise the voucher will expire. Education vouchers are only valid for a limited period and may be restricted to a certain region within Germany.

14. Is there a contact person for employers?

As part of labour market advice, “qualification counselling” is aimed at employers and serves to identify qualification needs among the workforce at an early stage. The first point of contact for the employer is the Employer Service (Arbeitgeber-Service, AGS) at the local Employment Agency office (<https://www.arbeitsagentur.de/unternehmen/arbeitgeber-service>).

15. Is any additional improvement in funding for training planned?

In the meantime, the “Work of Tomorrow Act” (Arbeit-von-morgen-Gesetz, Gesetz zur Förderung der beruflichen Weiterbildung im Strukturwandel und zur Weiterentwicklung der Ausbildungsförderung “) came into force (see https://www.bgb1.de/xaver/bgb1/start.xav?startbk=Bundesanzeiger_BGB1&jumpTo=bgb1120s1044.pdf#_bgb1_%2F%2F*%5B%40attr_id%3D%27bgb1120s1044.pdf%27%5D_1590746683943). Among other things, the Act provides for an expansion in funding for training.

16. What is the substance and purpose of the “Work of Tomorrow Act”?

The main purpose of the Act is to offer improved options for training and qualification in special situations. To this end, labour market funding instruments are to be enhanced in order to prepare individuals for the work of tomorrow. The aim is to prepare the world of work for the structural shift to a low-emission and digital economy.

17. What improvements will the “Work of Tomorrow Act” bring?

Among other things, the Act provides for the following improvements in funding for training:

- If substantial sections of the workforce need to be trained, funding rates increase by ten percentage points.
- If works agreements or collective bargaining agreements on vocational training are in place, funding rates are increased by a further five percentage points.
- To simplify the process, from 2021 onwards employers can also apply for funding for their employees via a collective application.
- The minimum duration of subsidised training will be reduced from 160 hours to 120 hours.
- Employees who wish to acquire vocational qualifications they failed to acquire at an earlier stage in their career are entitled to funding if the qualification increases their employability.
- Training to acquire qualifications while employed by an interim employment company can be funded regardless of age and vocational qualification and also beyond the end of the entitlement to short-term allowance during employment in an interim employment company.
- The Act aims to broaden the range of eligible training courses by increasing the funding rates for training measures and creating greater leeway for approving measures.
- The Act extends the Assisted Training scheme, which is aimed at helping young people with poor qualifications or no qualifications to enter the world of employment.

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